

Message Text

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51
ACTION EB-07

INFO OCT-01 AF-06 EUR-12 NEA-09 ISO-00 CAB-02 CIAE-00

COME-00 DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 L-02

SP-02 SS-15 NSC-05 TRSE-00 H-02 /070 W
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R 100705Z MAR 75
FM AMEMBASSY ACCRA
TO SECSTATE WASHDC 6706
INFO AMEMBASSY ABIDJAN
AMEMBASSY BANGUI
AMEMBASSY BRUSSELS
AMEMBASSY COTONOU
AMEMBASSY DAKAR
AMEMBASSY KINSHASA
AMEMBASSY LAGOS
AMEMBASSY LIBREVILLE
AMEMBASSY LOME
AMEMBASSY MONROVIA
AMEMBASSY NAIROBI
AMEMBASSY NDJAMENA
AMEMBASSY NIAMEY
NOUAKCHOTT 236
AMEMBASSY OUGADOUGOU
AMEMBASSY PRETORIA
AMEMBASSY YAOUNDE
AMCONSUL CASABLANCA
AMCONSUL JOHANNESBURG

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E.O. 11652: N/A
TAGS: EAIR GH
SUBJ: USCIVAIR: BILATERALS WITH WEST AFRICAN COUNTRIES

REFS: (A) ACCRA 6651, 11/29/75 (B) ACCRA 6923, 12/7/74
(C) ACCRA 0128 (NOTAL) (D) ACCRA 0783 (NOTAL)

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(E) STATE 037671

1. SUMMARY. WE CONTINUE IN OUR BELIEF THAT IT IN USG
INTEREST TO RECONSIDER OUR POLICY ON BILATERAL AIR
TRANSPORT AGREEMENTS WITH GHANA. END SUMMARY.

2. DEPARTMENT IS FULLY AWARE OF CONSIDERABLE PRESSURE
PAN AM FINDS ITSELF UNDER IN GHANA DUE TO LACK OF
US-GHANA BILATERAL AIR TRANSPORT AGREEMENT. GHANAIANS
THEREFORE RIGHTLY BELIEVE THEY ARE NOT RPT NOT BEING
ACCORDED RECIPROCITY. PAN AM'S RIGHTS HAVE BEEN RESTRICTED
(LAST FALL'S SUDDEN RESTRICTION OF ACCRA-KINSHASA TRAFFIC
RIGHTS ONCE A WEEK IN EACH DIRECTION) AND IT IS UNDER CONSTANT
CLEAR THREAT OF SUDDEN AND UNILATERAL TERMINATION OF ALL
RIGHTS THROUGH GHANA.

3. IN WHAT IS EXPLANIED TO PAN AM AS DIRECT RESULT OF US
NON-RECIPROCITY, PAN AM IS FACED WITH BACK TAX CLAIM OF
ALMOST ONE MILLION DOLLARS. A NEW DEVELOPMENT WHICH
EMERGED DURING FEBRUARY VISIT MEAD (ASSISTANT TREASURER)
AND GLAESO (INTERNATIONAL TAXES DEPT.) FROM PAN AM
HEAD OFFICE IS THA CEDIS 500,000 (APPROX. DOLS 435,000)
DEPOSIT IS REQUIRED FROM PAN AM EVEN TO LODGE AN APPEAL
ON TAX CLAIM. TAX CLAIM IS FOR 21 YEARS; THERE APPEARS
TO BE NO STATUTE OF LIMITATIONS.

4. I ASKED MEAD AND GLAESO TO REPORT TO NEW YORK THAT I
WOULD BE WILLING TO TRY TO SET UP APPOINTMENT WITH KEY GHANAIANS
FOR SENIOR PAN AM REPS, AND TO SIT IN ON THE MEETING, IN
AN EFFORT TO SORT OUT THE TAX MATTER. PAN AM HAS NOT
TAKEN UP THE OFFER.

5. THE FACTORS DESCRIBED INPARAS 1 AND 2 ABOVE WILL
CONTINUE SO LONG AS WE REFUSE TO ENTER INTO BILATERAL
AGREEMENT WITH GHANA. PAN AM COULD VERY WELL LOSE ITS
APPEAL ON THE TAX MATTER. DAMOCLES' SWORD WOULD CONTINUE
OVER ITS OPERATIONS THROUGH GHANA. THUS, SCARCE FUNDS
WILL CONTINUE TO BE TIED UP AND JEOPARDIZED, AND PAN AM'S
REGIONAL SCHEDULES WILL STILL BE IN THE BALANCE.

6. IF WE ENTER INTO BILATERAL NEGOTIATIONS WITH OTHER
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AFRICANS BUT CONTINUE TO DENY BILATERAL TO GHANA THERE
SEEMS LITTLE DOUBT BUT THAT THE TREATS TO PAN AM WOULD
BE CARRIED OUT; ITS SERVICES WOULD HAVE TO TERMINATE,
AND ITS FUNDS HERE WOULD BE AS GOOD AS FORFEIT.

7. LOGIC THEREFORE IMPELLED US TO REITERATE THE PROPOSAL
ALREADY MADE A NUMBER OF TIMES BY MY PREDECESSOR AND
MYSELF: RECOMMENCE NEGOTIATION IN GOOD FAITH LEADING

TO A US-GHANAIAN AIRLINE BILATERAL AGREEMENT. WE ARE
CONVINCED THAT SUCH A STEP WOULD IMMEDIATELY AND PERMANENTLY
PUT THE TAX PROBLEM TO REST, AND IT WOULD OF COURSE ASSURE
PAN AM OF ITS TRAFFIC RIGHTS. LACK OF EQUIPMENT AND OTHER
ECONOMIC CONDITIONS WOULD PROBABLY PRECLUDE GHANA FROM
ASKING ACTUAL GHANA AIRWAYS SERVICE TO THE U.S. IN THE
IMMEDIATE FUTURE, EVEN WITH A BILATERAL AGREEMENT IN HAND.
FINALLY, AND VERY IMPORTANTLY, ONE OF THE FEW IRRITANTS
IN GHANAIAN-US RELATIONS WOULD BE REMOVED (RECALL
THIS WAS ONE OF THREE SUBJECT CHAIRMAN ACHEAMPONG
RAISED WITH ME AT CREDENTIALS PRESENTATION --
REFTEL B).
BLACK

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